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FROM: **Water Systems Optimization, Inc and Cavanaugh & Associates**

DATE: **June 30, 2017**

RE: **Comment Letter – Title 23/Division 2/Chapter 7**
Water Audits and Water Loss Control Reporting
Public Review Draft – 2nd 15-Day Comment Period

Water Systems Optimization, Inc. and Cavanaugh & Associates are consulting firms that specializes in water loss control. As a team, our two firms were selected to manage and execute the water loss control training and validation activities offered by the California-Nevada Section of the American Water Works Association, now referred to as the Water Loss Technical Assistance Program (Water Loss TAP).

Our team is committed to the advancement of water loss control practices throughout the country: we have established best practices for water loss assessment and reduction via participation in the American Water Works Association's Water Loss Control Committee, including principal authorship in the M36 Manual for Water Audits & Water Loss Control, 4th Edition. we have published reference material on the process of water audit validation through the Water Research Foundation; and we have separately worked with scores of utilities on developing cost-effective plans to reduce their non-revenue water volumes.

Specifically in our Water Loss TAP work to date, we have reviewed nearly every single Urban Water Supplier's water audit such that we have seen first-hand how California Urban Water Suppliers compile their water audits, how they grapple with the quality of their production and consumption data, and what they know and don't know about their systems. With this breadth of exposure, we understand the value of water loss assessment and the current challenges to California water systems therein.

Additionally, Will Jernigan with Cavanaugh is the Chair of the AWWA Free Water Audit Software Committee, and comments included in this letter are informed by his insight into the software's future developments and timelines.

We very much appreciate the opportunity provide the following comments on the draft Water Audits and Water Loss Control Reporting Regulations. Thank you for considering these comments as you finalize the above referenced rules.

Support:

Overall, we support the rule document in its current draft form, with the exception of the non-substantive item noted below.

Recommended Edit:

1. Specificity of AWWA Water Audit Software version reference.

In the latest draft, the language enabling regulation updates to be triggered “upon an AWWA next generation update of its related Free Audit Software (e.g., after the version 6.0 release)” has been removed, with the rationale that any updates to the M36 Manual would also reflect updates to the software. While this rationale is true, the language as written is problematic because the timing of updates to the M36 Manual and the software are not synchronous. Both tools are on a targeted 5-year update cycles. The next scheduled update for the software is in 2019, and the next scheduled update to the M36 Manual is 2021 with potential for delay into 2022 or 2023 due to publication timeframes. For reference, the current version of the M36 Manual was published in 2016, 7 years after its predecessor in 2009. Thus, there could be a 2 to 4 year lag in which California utilities will be regulatorily prevented from using the state-of-the-art auditing software. This type of delay is unnecessary and could be avoided easily with either of the following edits to the rule language:

Section 700 (c): Restore language to 1st 15-Day Comment Period language as follows:

(c) The Department will update these regulations within six months after an AWWA’s issuance of a new edition update of its the AWWA’s Water Audits and Loss Control Programs, Manual M36 (e.g., after the fifth edition release) or upon an AWWA next generation update of its related Free Audit Software (e.g., after the version 6.0 release).

OR

Amend all software references of “version 5.0” to read “version 5.0 or later”. This approach is preferred as it eases administrative burden on DWR by not requiring a rules update.

We strongly believe this minor, non-substantive amendment is absolutely critical to ensure California retains its leadership position in water loss management in the United States.

Thank you for considering these comments as you finalize the regulation.

If you have questions about the comments contained herein, please do not hesitate to contact us through Will Jernigan at 336-414-7342 or will.jernigan@cavanaughhsolutions.com .